

REGULATION OF MEMBER OF BOARD OF GOVERNORS  
NUMBER 24/10/PADG/2022  
ON  
IMPLEMENTING REGULATION ON TRANSACTIONS IN FOREIGN EXCHANGE  
MARKET

BY THE BLESSINGS OF ALMIGHTY GOD

MEMBER OF BOARD OF GOVERNORS OF BANK INDONESIA,

- Considering : a. that to accomplish Bank Indonesia's objective to achieve and maintain rupiah stability, it is necessary to have a liquid, efficient, transparent, and integrity money market to support effectiveness of Bank Indonesia's monetary policy transmission and national economic activities;
- b. that to accomplish a liquid, efficient, transparent, and integrity money market, it may be realized through foreign exchange market development which considers global economic dynamics and market player necessities;
- c. that to boost foreign exchange market development, it is necessary to have an integrated foreign exchange market regulation which gives flexibility to participants by considering the prudential principle;
- d. that in order to develop domestic foreign exchange market, further regulation is required on transactions in foreign exchange market;
- e. that based on the foregoing considerations as referred to in point a, point b, point c, and point d, it is necessary

to issue the Regulation of Member of Board of Governors on  
Implementing Regulation on Transactions in Foreign  
Exchange Market;

Observing : Bank Indonesia Regulation Number 24/7/PBI/2022 on  
Transactions in Foreign Exchange Market (State Gazette of the  
Republic of Indonesia of 2022 Number 3/BI, Supplement to State  
Gazette of the Republic of Indonesia Number 3/BI);

HAS DECIDED:

To enact : REGULATION OF MEMBER BOARD OF GOVERNORS ON  
IMPLEMENTING REGULATION ON TRANSACTIONS IN  
FOREIGN EXCHANGE MARKET.

Article 1

In this Regulation of Member Board of Governors:

1. Bank means a commercial bank as referred to in Law on banking and a sharia commercial bank and sharia business unit as referred to in Law on sharia banking, including branch offices of a bank domiciled overseas excluding offices of a commercial bank and sharia commercial bank which are established under the law of Indonesia and operate overseas.
2. Resident means individuals, legal entities, or other entities domiciled in or planning to domicile in Indonesia at least for 1 (one) year, including diplomatic representatives and staff of the Republic of Indonesia overseas.
3. Non-Resident means individuals, legal entities, or other entities which are not domiciled in Indonesia or are domiciled in Indonesia for less than 1 (one) year, including diplomatic representatives and staff of other countries in Indonesia.
4. Money market means part of financial system related to issuance and trade of financial instruments which has period not more than 1 (one) year, lending-borrowing or financing, currency exchange, derivative transactions of

exchange rate and interest rate, and other transactions, in rupiah or foreign currency.

5. Foreign Exchange Market means part of Money Market related to transaction activities which involve exchange of currencies of 2 (two) different countries, excluding exchange of banknotes administered by money changers.
6. Underlying Transaction means an activity on which a transaction of foreign currency against rupiah is based.
7. Rupiah Transfer means transfer of funds in rupiah to a fund recipient for the interest of Bank or Bank's customers, through cash deposits or transfer between accounts with the same Bank or different Banks, resulting in an increase in rupiah balance of the fund recipient.

## CHAPTER II

### TRANSACTIONS IN FOREIGN EXCHANGE MARKET

#### Part One

##### Scope

#### Article 2

Transactions in Foreign Exchange Market include:

- a. transactions of foreign currency against rupiah; and
- b. transactions of foreign currency against another foreign currency.

#### Part Two

##### Type of Transactions

#### Article 3

- (1) Types of transactions in Foreign Exchange Market as referred to in Article 2 consist of:
  - a. cash transactions;
  - b. foreign exchange derivative transactions; and

- c. other foreign currency transactions determined by Bank Indonesia.
- (2) The cash transaction as referred to in paragraph (1) point a includes:
  - a. transaction where fund transfer is made on the same day (today transaction);
  - b. transaction where fund transfer is made 1 (one) business day after the transaction date (tomorrow transaction); and
  - c. transaction where fund transfer is made 2 (two) business days after the transaction date (spot transaction).
- (3) The exchange rate derivative transaction as referred to in paragraph (1) point b includes:
  - a. standard exchange rate derivative transaction (plain vanilla); and
  - b. structured product transaction.
- (4) The structured product transaction as referred to in paragraph (3) point b constitutes combined exchange rate derivative transactions with:
  - a. other exchange rate derivative transactions;
  - b. other derivative transactions; and/or
  - c. non-derivative.
- (5) Purchase of the structured product transactions which constitute combined exchange rate derivative transactions with non-derivative transactions as referred to in paragraph (4) point c shall use fund in a maximum amount of the average daily balance for 90 (ninety) days placed at the same Bank.
- (6) Provisions for standard exchange rate derivative transactions (plain vanilla) as referred to in paragraph (3) point a in the form of domestic non-deliverable forward transactions are regulated in Regulation of Member of Board of Governors.

#### Article 4

- (1) Exchange rate derivative transactions in Foreign Exchange Market as referred to in Article 3 paragraph (1) point b are made under a contract.
- (2) The contract used in exchange rate derivative transactions in Foreign Exchange Market as referred to in paragraph (1) may be in the following forms:
  - a. Indonesian Derivative Master Agreement;
  - b. standard contract issued by the relevant association;
  - or
  - c. other contracts.
- (3) The contract as referred to in paragraph (2) shall be supported by a written confirmation indicating the occurrence of a transaction.
- (4) The contract as referred to in paragraph (2) shall at least contain:
  - a. contract date;
  - b. names of transaction participants in Foreign Exchange Market; and
  - c. rights and obligations of each transaction participant in Foreign Exchange Market.
- (5) The written confirmation as referred to in paragraph (3) shall at least contain:
  - a. transaction date and settlement date;
  - b. type of transaction;
  - c. type of currency; and
  - d. transaction nominal amount.
- (6) The Indonesian Derivative Master Agreement as referred to in paragraph (2) point a is specified in Annex I which constitutes an integral part of this Regulation of Member of Board of Governors.

#### Part Four

#### Transaction Time

#### Article 5

- (1) Transactions of foreign currency against rupiah between Banks are made within the range of window time of open market operations of Bank Indonesia as regulated in the Regulation of Member of Board of Governors on open market operation instruments.
- (2) Bank is prohibited from making transactions of foreign currency against rupiah between Banks in the Foreign Exchange Market beyond the range of transaction time as referred to in paragraph (1).

### CHAPTER III

#### UNDERLYING TRANSACTIONS

##### Part One

##### General

#### Article 6

- (1) Any Bank making transactions of foreign currency against rupiah is required to ensure that any foreign exchange transactions against rupiah in the form of:
  - a. purchase transaction in cash; and
  - b. exchange rate derivative transactions,
 with nominal value above the threshold has Underlying Transactions.
- (2) Transactions of foreign currency against rupiah made between Banks are exempted from the obligation having Underlying Transaction as referred to in paragraph (1).

#### Article 7

Any Bank making transactions of foreign currency against rupiah is required to ensure:

- a. the maximum nominal value of foreign currency transaction against rupiah is equal to the nominal value of the Underlying Transaction; and

- b. the longest period of foreign currency transaction against rupiah is the same as the Underlying Transaction period.

#### Article 8

Type of currency used in a transaction in Foreign Exchange Market with the obligation of having an Underlying Transaction as referred to in Article 6 paragraph (1) is regulated under the following provisions:

- a. the currency is the same as the one specified in the Underlying Transaction document; or
- b. the currency is different from the one specified in the Underlying Transaction document if there is an accompanying document which may explain reasons for such difference.

#### Part Two

#### Threshold Amount

#### Article 9

- (1) The threshold amount purchase transaction in of foreign currency against rupiah as referred to in Article 6 paragraph (1) point a equals USD100,000.00 (one hundred thousand US dollars) or its equivalent per month per transaction participant in Foreign Exchange Market.
- (2) Threshold amount of the exchange rate derivative transaction of foreign currency against rupiah as referred to in Article 6 paragraph (1) point b in the form of forward transaction equals:
  - a. USD100,000.00 (one hundred thousand US dollars) or its equivalent per month per transaction participant in Foreign Exchange Market, for a purchase transaction; and
  - b. USD5,000,000.00 (five million US dollars) or its equivalent per transaction, for a sale transaction.
- (3) Threshold amount of the exchange rate derivative transaction of foreign currency against rupiah as referred

to in Article 6 paragraph (1) point b other than forward transaction equals:

- a. USD100,000.00 (one hundred thousand US dollars) or its equivalent per month per transaction participant in Foreign Exchange Market, for a purchase transaction; and
- b. USD1,000,000.00 (one million US dollars) or its equivalent per transaction, for a sale transaction.

#### Article 10

- (1) The threshold amount as referred to in Article 9 is regulated under the following provisions:
  - a. monthly threshold is calculated from the first until the last date of the month; and
  - b. the threshold amount is calculated for all legs in a foreign exchange derivative transaction against rupiah in the form of swap and cross-currency swap.
- (2) Calculation of nominal amount of a foreign currency transaction against rupiah is regulated under the following provisions:
  - a. calculated on the transaction date;
  - b. a purchase transaction in cash is calculated cumulatively for all such transactions; and
  - c. a derivative transaction is calculated for each type of transaction.

### Part Three

#### Types of Underlying Transactions

#### Article 11

- (1) The Underlying Transactions as referred to in Article 6 paragraph (1) consist of:
  - a. current account transactions;
  - b. financial account transactions;
  - c. capital account transactions;
  - d. credit or financing from Bank to a Resident for trade and investment purposes;



- e. domestic trade of goods and services; and
  - f. any other Underlying Transactions determined by Bank Indonesia.
- (2) the Underlying Transactions as referred to in paragraph (1) exclude:
- a. any securities issued by Bank Indonesia;
  - b. fund placement;
  - c. un-withdrawn credit or financing facilities; or
  - d. crypto assets.

#### Article 12

- (1) The current account transactions as referred to in Article 11 paragraph (1) point a include:
- a. export and import transaction of goods and/or services, from and to Indonesia;
  - b. primary revenue transaction; and
  - c. secondary revenue transaction.
- (2) The financial account transactions as referred to in Article 11 paragraph (1) point b include:
- a. direct investment;
  - b. portfolio investment; and
  - c. other investments.
- (3) The domestic trade of goods and services as referred to in Article 11 paragraph (1) point e means a transaction exempted from the obligation of using rupiah as referred to in the provisions of Bank Indonesia Regulation on the obligation of using rupiah within the territory of Republic of Indonesia.

#### Article 13

- (1) Forward sale transactions of foreign currency against rupiah and Rupiah Transfer to a Non-Resident account may use an Underlying Transaction in the form of fund placement in a foreign currency within and outside the country.
- (2) *Cross-currency swap* transactions of foreign currency against rupiah may use Underlying Transactions in the

form of un-withdrawn credit or financing facilities.

- (3) Foreign currency transactions against rupiah made by a non-Bank money changer may use Underlying Transactions in the form of the amount of required banknotes provided that:
  - a. the amount of required banknotes is calculated by using the net total sale transactions of foreign currencies against rupiah by a non-bank money changer with a customer other than Bank and other non-bank money changers, for a certain period with a calculation example as specified in Annex II which constitutes an integral part of this Regulation of Member of Board of Governors; and
  - b. a supporting document is submitted in the form of a statement letter which is signed by the competent official of a non-bank money changer and contains a commitment to:
    1. administer sale and purchase documents and/or Underlying Transaction documents from a customer; and
    2. provide customer's Underlying Transaction documents when required by Bank, in the event there is any foreign currency purchase by the customer whose amount exceeds the threshold amount of purchase transaction in cash of foreign currencies against rupiah.

#### Article 14

Nominal amount of an Underlying Transaction for foreign currency transaction against rupiah may be rounded up in the closest multiples of USD10,000.00 (ten thousand US dollars).

### CHAPTER IV

#### TRANSACTIONS THROUGH A THIRD PARTY

#### Article 15

- (1) The transactions of foreign currency against rupiah for certain economic activities may be made through a third party.
- (2) The certain economic activities as referred to in paragraph (1) include:
  - a. fund transfer operation;
  - b. *e-commerce*;
  - c. portfolio investment transaction; and
  - d. any other activities determined by Bank Indonesia.
- (3) The third party as referred to in paragraph (1) may use an Underlying Transaction submitted by a third party customer for foreign currency transactions against rupiah.
- (4) Bank is required to ensure that the third party as referred to in paragraph (1) submit a supporting document in the form of a written statement specifying that the foreign currency transaction against rupiah:
  - a. has the maximum amount equal to the nominal amount of the Underlying Transaction; and
  - b. is in accordance with the economic activities as referred to in paragraph (2).
- (5) Example of the supporting document in the form of a written statement as referred to in paragraph (4) is specified in Annex III which constitutes an integral part of this Regulation of Member of Board of Governors.

## CHAPTER V

### PROHIBITIONS OF TRANSACTIONS

#### Article 16

Bank is prohibited from making the following transactions:

- a. transfer of rupiah to overseas;
- b. non-deliverable forward transactions of foreign currency against rupiah overseas;
- c. provide overdrafts and credit and/or financing for foreign currency transactions against rupiah;
- d. provide overdrafts and credit and/or financing in rupiah or foreign currency to Non-Residents;

- e. purchase securities in rupiah issued by Non-Residents;
- f. invest in rupiah to Non-Residents; and
- g. other transactions determined by Bank Indonesia.

#### Article 17

- (1) The prohibition from granting credit or financing to Non-Residents as referred to in Article 16 point d is exempted for:
  - a. Granting the guarantee in relation to investment activities in Indonesia under the following requirements:
    - 1. obtaining counter-guarantee; or
    - 2. there is a guarantee of 100% (one hundred percent) of the granted guarantee value;
  - b. credit or financing in a form of syndication which meets the following requirements:
    - 1. involve foreign banks domiciled outside Indonesia;
    - 2. foreign bank's contribution is higher than Bank contribution; and
    - 3. it is granted for project financing in real sectors in Indonesia;
  - c. credit cards;
  - d. consumption credit or financing in Indonesia;
  - e. intraday draft; and
  - f. negative balance due to administration fee charging.
- (2) The prohibition from purchasing securities in rupiah issued by Non-Residents as referred to in Article 16 point e is exempted for:
  - a. the securities related to;
    - 1. export and import transaction of goods and/or services, from and to Indonesia; and
    - 2. trade in Indonesia; and

- b. *bank draft* issued by a bank overseas for the interest of Indonesian migrant workers and the rupiah fund is received in Indonesia by a Resident.

## CHAPTER VI

### RUPIAH TRANSFER TO NON-RESIDENTS

#### Article 18

- (1) A Rupiah Transfer recipient Bank is required to ensure that Rupiah Transfer to:
  - a. a non-Resident's account; or
  - b. a joint account of a Non-Resident and Resident in Indonesia,
 higher than a threshold amount has Underlying Transactions.
- (2) The threshold amount as referred to in paragraph (1) equals the equivalent of USD1,000,000.00 (one million US dollars) per transaction.
- (3) A Rupiah Transfer recipient Bank is exempted from the obligation as referred to in paragraph (1) for a Rupiah Transfer which:
  - a. comes from a foreign exchange derivative transaction or hedging transaction under sharia principles for foreign currency transactions against rupiah; or
  - b. is Rupiah Transfer between rupiah accounts held by the same Non-Resident.

## CHAPTER VII

### TRANSACTION SETTLEMENTS

#### Article 19

Settlements of foreign currency transactions against rupiah may be conducted in the following manners:

- a. transfer of principal fund in a full amount (gross); and

- b. transfer of fund by calculating the offset of obligation over the transactions (netting).

#### Article 20

- (1) Bank is required to settle the transactions of foreign currency against rupiah in cash as referred to in Article 3 paragraph (1) point a by transferring principal fund in a full amount (gross).
- (2) Bank is required to settle transactions of foreign currency against rupiah with a non-Bank money changer as a counterparty by physical delivery of foreign currency in the form of banknotes.

#### Article 21

- (1) Derivative transactions of foreign exchange against rupiah may be made through:
  - a. roll over;
  - b. early termination; or
  - c. unwind.
- (2) Example of the transaction settlement as referred to in paragraph (1) is specified in Annex IV which constitutes an integral part of this Regulation of Member of Board of Governors.

### CHAPTER VIII

#### TRANSACTION DOCUMENTS

##### Part One

##### Types of Underlying Transaction Documents

##### Transactions of Foreign Currencies against Rupiah

#### Article 22

- (1) The Underlying Transactions as referred to in Article 6 paragraph (1) are evidenced by:
  - a. final Underlying Transaction documents; or
  - b. estimation Underlying Transaction.
- (2) The list of Underlying Transaction documents as referred

to in paragraph (1) is specified in Annex V which constitutes an integral part of this Regulation of Member of Board of Governors.

#### Article 23

- (1) Any Bank making transactions of foreign currencies against rupiah is required to ensure that transaction participants in Foreign Exchange Market submit:
  - a. Underlying Transaction documents for each transaction of foreign currency against rupiah as referred to in Article 6 paragraph (1); and/or
  - b. transaction supporting documents.
- (2) Bank must ensure accuracy and fairness of Underlying Transaction documents submitted by transaction participants in Foreign Exchange Market.
- (3) In ensuring the accuracy and fairness as referred to in paragraph (2), Bank may:
  - a. request transaction participants in Foreign Exchange Market to show original documents;
  - b. request historical data at least for the previous 1 (one) year;
  - c. see the track record of transaction participants in Foreign Exchange Market; and/or
  - d. request additional documents where necessary.

#### Article 24

In the event that Underlying Transaction is a trade of goods and services within the country as referred to in Article 12 paragraph (3), Bank may request transaction participants in Foreign Exchange Market to submit a document in the form of copy of approval for exemption from the obligation of using rupiah from Bank Indonesia.

#### Article 25

Bank shall ensure that:

- a. any document which has been used as an Underlying

Transaction may be used for another transaction of foreign currency against rupiah on condition that it does not exceed the nominal amount of the Underlying Transaction; and

- b. in the event there are several types of Underlying Transaction documents in 1 (one) sequence of economic activities:
  1. only one of the Underlying Transaction documents will be used for foreign currency transaction against rupiah; and
  2. another Underlying Transaction document which comes from one sequence of the same economic activity will not be used for another foreign currency transaction against rupiah.

#### Part Two

#### Submission of Documents for Purchase Transactions of Foreign Currency against Rupiah in a Maximum Threshold Amount

#### Article 26

- (1) Bank is required to ensure that transaction participants in Foreign Exchange Market which make purchase transaction of foreign currency against rupiah in a maximum threshold amount submit a supporting document in the form of a written statement specifying that a purchase transaction of foreign currency against rupiah does not exceed the threshold amount per month per transaction participant in Foreign Exchange Market.
- (2) The supporting document for purchase transaction of foreign currency against rupiah in a maximum threshold amount as referred to in paragraph (1) is submitted on the transaction date and at least once every month.
- (3) Example of the supporting document in the form of a written statement as referred to in paragraph (1) is specified in Annex VI which constitutes an integral part of this Regulation of Member of Board of Governors.

#### Part Three



Submission of Documents for Transactions of Foreign Currency  
against Rupiah Above The Maximum Threshold Amount

Article 27

- (1) Bank is required to ensure that transaction participants in Foreign Exchange Market which make transactions of foreign currencies against rupiah above the threshold amount per month per transaction participant in Foreign Exchange Market submit the following documents:
  - a. Underlying Transaction documents, both final and estimation; and
  - b. supporting documents in the following forms:
    1. copy of identity document and/or copy of taxpayer identification number, for an individual; or
    2. copy of identity document of the competent party and copy of taxpayer identification number, for a legal entity; and
  - c. supporting document in the form of a written statement specifying:
    1. the accuracy of Underlying Transaction document as referred to in point a;
    2. Underlying Transaction documents are used for foreign currency transactions against rupiah in a maximum nominal amount equal to the Underlying Transaction and with the longest term the same as the Underlying Transaction term;
    3. information on the use purpose, use date, and amount of required foreign currency, for a purchase transaction of foreign currency against rupiah with an estimation Underlying Transaction; and
    4. information on the source, date, and amount of received foreign currency, for a sale transaction of foreign currency against rupiah with an estimation Underlying Transaction.

- (2) Example of the supporting document in the form of a written statement as referred to in paragraph (1) point c is specified in Annex VII which constitutes an integral part of this Regulation of Member of Board of Governors.

#### Article 28

Submission of the Underlying Transaction documents and/or supporting documents as referred to in Article 27 paragraph (1) is regulated under the following provisions:

- a. purchase transaction in cash of foreign currency against rupiah shall be submitted not later than the settlement date;
- b. derivative transactions of foreign exchange against rupiah may be submitted:
  1. not later than 14 (fourteen) business days after a transaction date; or
  2. not later than the due date in the event that transaction has a term of less than 14 (fourteen) business days.

#### Article 29

- (1) Bank may request the supporting documents as referred to in Article 27 paragraph (1) point b and point c periodically in the event:
  - a. Underlying Transaction documents are final; and
  - b. Bank properly recognizes the track record of transaction participants in Foreign Exchange Market.
- (2) The periodic submission of supporting documents as referred to in paragraph (1) is conducted at least annually (in a calendar year).
- (3) The submission of supporting documents as referred to in paragraph (1) is conducted in the first transaction.

### CHAPTER IX

#### REFERENCE RATES

##### Part One

## Jakarta Interbank Spot Dollar Rate

### Article 30

- (1) Bank Indonesia determines Jakarta Interbank Spot Dollar Rate on each business day.
- (2) The Jakarta Interbank Spot Dollar Rate as referred to in paragraph (1) is determined based on spot transaction data of US dollar against rupiah between banks.
- (3) The transaction data as referred to in paragraph (2) means data on transactions throughout a business day obtained from the monitoring system of foreign currency transactions against rupiah as referred to in the provisions of Bank Indonesia Regulation on monitoring system of foreign currency transactions against rupiah.
- (4) Jakarta Interbank Spot Dollar Rate as referred to in paragraph (1) is determined by calculating the volume-weighted average of all data as referred to in paragraph (2).
- (5) The calculation result of Jakarta Interbank Spot Dollar Rate as referred to in paragraph (4) is rounded to the closest rupiah.

### Article 31

Jakarta Interbank Spot Dollar Rate is published on the official website of Bank Indonesia every business day at 16.15 West Indonesia Time or at any other time determined by Bank Indonesia.

### Part Two

## Non-USD/IDR Reference Rate

### Article 32

- (1) Bank Indonesia determines non-USD/IDR reference rate on each business day.
- (2) The non-USD/IDR reference rate as referred to in paragraph (1) is determined based on Jakarta Interbank Spot Dollar Rate and closing rate of foreign currency

against another foreign currency issued by a certain institution.

- (3) The calculation result of non-USD/IDR reference rate as referred to in paragraph (2) is rounded to the closest rupiah.

#### Article 33

Non-USD/IDR reference rate is published on the official website of Bank Indonesia every business day at 16.30 West Indonesia Time or at any other time determined by Bank Indonesia.

#### Part Three

#### Use of Reference Rates

#### Article 34

- (1) In the event foreign exchange derivative transactions against rupiah in Foreign Exchange Market use the reference rate in transaction settlements, Bank may use Jakarta Interbank Spot Dollar Rate or non-USD/IDR reference rate.
- (2) The reference rate as referred to in paragraph (1) is specified in a contract as referred to in Article 4 paragraph (2) and/or written confirmation as referred to in Article 4 paragraph (3).

### CHAPTER X

### REPORTING

#### Article 35

- (1) Bank submits a report on transactions in Foreign Exchange Market through the reporting system of Bank Indonesia.
- (2) The reporting system determined by Bank Indonesia as referred to in paragraph (1) is implemented under Bank Indonesia Regulation on integrated commercial bank reporting.

## CHAPTER XI

### SANCTION IMPOSITION MECHANISM

#### Article 36

- (1) Any Bank and/or any other party assigned to conduct an inspection, which breaches the provisions of Bank Indonesia Regulation on transactions in foreign exchange market, is subject to an administrative sanction.
- (2) The administrative sanction as referred to in paragraph (1) takes the following forms:
  - a. written warning; and
  - b. payment obligation.

#### Article 37

In the event Bank Indonesia imposes an administrative sanction in the form of written warning as referred to in Article 36 paragraph (2) point a, the administrative sanction imposition will be submitted by letter to the imposed party.

#### Article 38

- (1) In the event Bank Indonesia imposes an administrative sanction in the form of payment obligation as referred to in Article 36 paragraph (2) point b on Bank, Bank Indonesia will debit the Bank's rupiah giro account with Bank Indonesia.
- (2) The administrative sanction in the form of payment obligation is calculated under the following provisions:
  - a. sanction in rupiah is calculated by using:
    1. Jakarta Interbank Spot Dollar Rate;
    2. non-USD/IDR reference rate; or
    3. any other exchange rate determined by Bank Indonesia on a transaction date;
  - b. the payment obligation as referred to in point a amounts to Rp10,000,000.00 (ten million rupiah) at the lowest and Rp1,000,000,000.00 (one billion

rupiah) at the highest; and

- c. the payment obligation amounts to 1% (one percent) of:
  - 1. the nominal amount of breached foreign currency transaction against rupiah for every breach is the difference between such nominal amount and the threshold amount;
  - 2. the nominal amount of overdrafts and credit and/or financing used for foreign currency transactions against rupiah;
  - 3. the nominal amount of securities in rupiah or investment in rupiah; and
  - 4. the nominal amount of breached Rupiah Transfer.

## CHAPTER XII CLOSING PROVISIONS

### Article 39

At the time when this Regulation of Member of Board of Governors comes into force:

- a. Bank Indonesia Circular Number 7/45/DPD dated 15 September 2005 on Derivative Transactions as amended by Bank Indonesia Circular Number 12/21/DPM dated 2 August 2010 on Amendment to Bank Indonesia Circular Number 7/45/DPD dated 15 September 2005 on Derivative Transactions;
  - b. Regulation of Member of Board of Governors Number 20/16/PADG/2018 dated 15 August 2018 on Transactions of Foreign Currencies against Rupiah between Banks and Domestic Parties; and
  - c. Regulation of Member of Board of Governors Number 20/17/PADG/2018 dated 15 August 2018 on Transactions of Foreign Currencies against Rupiah between Banks and Foreign Parties,
- are repealed and declared ineffective.

## Article 40

This Regulation of Member of Board of Governors comes into force on the date of its enactment date.

In order that every person may know hereof, it is ordered to place this Regulation of Member of Board of Governors by its placement in the Official Gazette of the Republic of Indonesia.

Issued in Jakarta  
on 4 July 2022

MEMBER OF BOARD OF  
GOVERNORS,

DESTRY DAMAYANTI

ELUCIDATION  
OF  
REGULATION OF MEMBER OF BOARD OF GOVERNORS  
NUMBER 24/10/PADG/2022  
ON  
IMPLEMENTING REGULATION ON TRANSACTIONS IN FOREIGN EXCHANGE  
MARKET

I. GENERAL

To perform the duty of Bank Indonesia to achieve and maintain rupiah stability, it is necessary to accelerate the achievement of a liquid, efficient, transparent and integrity money market, which may eventually support national economic activities.

A liquid, efficient, transparent and integrity money market may be achieved through comprehensive and holistic development of domestic foreign exchange market.

To support such implementation of domestic foreign exchange market development, Bank Indonesia has issued Bank Indonesia Regulation Number 24/7/PBI/2022 on Transactions in Foreign Exchange Market.

In connection therewith, it is necessary to enact a Regulation of Member of Board of Governors on Implementing Regulation on Transactions in Foreign Exchange Market which regulates transactions in foreign exchange market against rupiah between banks and transaction participants in Foreign Exchange Market on the use of contract in transactions, types of transactions, underlying transactions, and transaction settlement.



## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear.

### Article 2

Sufficiently clear.

### Article 3

#### Paragraph (1)

Sufficiently clear.

#### Paragraph (2)

Sufficiently clear.

#### Paragraph (3)

##### Point a

Standard exchange rate derivative transactions (plain vanilla) include forward, domestic non-deliverable forward, swap, cross-currency swap, and option transactions, other than foreign currency transactions against foreign currencies traded on the futures market.

##### Point b

Sufficiently clear.

#### Paragraph (4)

##### Point a

Sufficiently clear.

##### Point b

Sufficiently clear.

##### Point c

The term “non-derivative” means fund placement.

Fund placements among others are in the form of savings, giro account, term deposit, and *negotiable certificate of deposit*.

#### Paragraph (5)

##### Example:

Customer AN makes the following transactions of fund placement with bank X for 90 (ninety) days as follows:

1. From 27 March 2022 until 31 March 2022, the savings balance is Rp100,000,000.00 (one hundred million rupiah).

2. On 1 April 2022, Customer AN withdraws Rp20,000,000.00 (twenty million rupiah) from the savings making the balance Rp80,000,000.00 (eighty million rupiah).
3. On 6 April 2022, Customer AN opens a deposit of Rp50,000,000.00 (fifty million rupiah).
4. On 15 May 2022, Customer AN adds Rp80,000,000.00 (eighty million rupiah) to the deposit making the balance Rp130,000,000.00 (one hundred thirty million rupiah).
5. On 20 May 2022, Customer AN adds Rp70,000,000.00 (seventy million rupiah) to the savings making the balance Rp150,000,000.00 (one hundred fifty million rupiah).

Based on the transactions above, on 25 June 2022, customer AN is able to purchase a *structured product* in the form of combination of exchange rate derivative transaction and fund placement in a maximum amount equal to the average daily balance of fund placement for 90 (ninety) days from 27 March 2022 until 24 June 2022, namely Rp190,000,000.00 (one hundred ninety million rupiah).

Paragraph (6)

Sufficiently clear.

#### Article 4

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

The Indonesian Derivative Master Agreement may be supplemented with a margin requirement agreement.

Point b

Example of a standard contract among others is International Swaps and Derivatives Association Master Agreement which may be supplemented with Credit Support Annex or margin requirement agreement.

Point c

Another contract example is foreign exchange agreement.

Paragraph (3)

The term “written confirmation” means information indicating occurrence of transactions, for example, dealing conversation or Society of Worldwide Interbank Financial Telecommunication *message*.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Point a

An Underlying Transaction may be used for more than 1 (one) foreign currency transactions against rupiah on condition that the maximum total nominal amount of the foreign currency transactions against rupiah equals the nominal amount of the Underlying Transaction.

Point b

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Paragraph (1)

Point a

Example:

On 28 May 2022, customer AM makes a purchase spot transaction of foreign currency against rupiah of USD100,000.00 (one hundred thousand US dollars) without any supporting Underlying Transaction. On 1 June 2022, customer AM may make another purchase spot transaction of foreign currency against rupiah of USD100,000.00 (one hundred thousand US dollars) without any supporting Underlying Transaction.

Point b

Example:

On 6 June 2022, customer AM makes a sale swap transaction of foreign currency against rupiah with a 1 (one)-month term of USD1,000,000.00 (one million US dollars) without any supporting Underlying Transaction. For transaction settlement in the first leg, customer AM may make a today purchase transaction of foreign currency against rupiah of USD1,000,000.00 (one million US dollars) without any supporting Underlying Transaction.

Paragraph (2)

Point a

Example:

On 30 May 2022 (transaction date), customer NL makes a purchase spot transaction of foreign currency against rupiah of USD100,000.00 (one hundred thousand US dollars) which is settled on 1 June 2022 (settlement date).

Calculation of purchase spot transaction of customer NL until 30 May 2022 is USD100,000.00 (one hundred thousand US dollars).

Customer NL may make a maximum purchase spot transaction of foreign currency against rupiah of USD100,000.00 (one hundred thousand US dollars) which is a threshold amount without any supporting Underlying Transaction within June 2022.

Point b

Example:

On 3 June 2022, customer AP makes a purchase spot transaction of USD80,000.00 (eighty thousand US dollars) without any Underlying Transaction. Then, on 17 June 2022, customer AP makes a today purchase transaction of USD70,000.00 (seventy thousand US dollars). To be able to make this transaction, customer AP must submit an Underlying Transaction because the total transaction amount in June 2022 has exceeded a threshold amount of USD100,000.00 (one hundred thousand US dollars).

Point c

Example:

On 3 June 2022, customer AP makes a purchase forward transaction of USD80,000.00 (eighty thousand US dollars) without any Underlying Transaction.

On 17 June 2022, customer AP makes a purchase swap transaction of USD70,000.00 (seventy thousand US dollars). Customer AP may make a purchase swap transaction without any supporting Underlying Transaction.

On 21 June 2022, customer AP makes a purchase option transaction of USD100,000.00 (one hundred thousand US dollars). Customer AP may make a purchase option transaction without any supporting Underlying Transaction.

## Article 11

### Paragraph (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Activities of *capital account* among others include capital transfer.

Point d

Credit or financing from Bank to a Resident for trade and investment purposes includes issuance of securities in foreign currency.

Example:

Customer KLM obtains financing from Bank ABC of USD100,000,000.00 (one hundred million US dollars). Therefore, customer KLM operates in Indonesia with revenue in rupiah and customer KLM intends to change its debt exposure from US dollars to rupiah by using cross-currency swap. Financing in foreign currency from Bank ABC may be used as an Underlying Transaction for the cross-currency swap transaction.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Fund placements among others are in the form of savings, current account, term deposit, and *negotiable certificate of deposit*.

Point c

Sufficiently clear.

Point d

The term “crypto asset” means an intangible asset in the form of digital assets, including those using cryptography, *peer-to-peer network*, and distributed ledger.

## Article 12

Paragraph (1)

Point a

Sufficiently clear.

Point b

Primary revenue transactions include among others:

- a. receipt and payment transactions of employee compensation; and
- b. investment revenue from direct investment, portfolio investment, and/or other investments.

Point c

Secondary revenue transactions include among others:

- a. receipt and payment in government sector; and
- b. receipt and payment in other sectors, including remittance and other similar transactions.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

## Article 13

Paragraph (1)

Fund placements among others are in the form of savings, current account, term deposit, and *negotiable certificate of deposit*.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Point a

Net total sale transactions of foreign currencies against rupiah is calculated from difference between selling transactions of foreign currency against rupiah and purchase transactions of foreign currency against rupiah made by non-Bank money changers and their customers.

Point b

Sufficiently clear.

## Article 14

Example:

Company ABC has an obligation to pay an amount in a foreign currency to a vendor overseas of USD171,500.00 (one hundred seventy-one thousand and five hundred US dollars). The value of Underlying Transaction is rounded to USD180,000.00 (one hundred eighty thousand US dollars) making Company ABC able to make a foreign

currency transaction against rupiah of USD180.000,00 (one hundred eighty thousand US dollars).

## Article 15

### Paragraph (1)

The term “Third party” means a party which represents a transaction participant in Foreign Exchange Market to make foreign currency transactions against rupiah with Bank among others in the form of fund transfer operators, e-commerce traders.

### Paragraph (2)

Sufficiently clear.

### Paragraph (3)

The term “customer” means service user or consumer of a third party.

### Paragraph (4)

Written statement is among others in the following forms:

- a. duly duty-stamped written statement letter which is signed by:
  1. the relevant individual for an individual; or
  2. the competent party under the relevant company’s articles of association or a party authorized under a power of attorney by the official, for non-individual party;
- b. written statement in an electronic form which may be submitted by:
  1. official electronic mail;
  2. Society of Worldwide Interbank Financial Telecommunication *message*;
  3. Bank’s electronic system; or
- c. *negative confirmation*.

### Paragraph (5)

Sufficiently clear.

## Article 16

### Point a

Sufficiently clear.

### Point b



Sufficiently clear.

Point c

Example:

Customer N makes a purchase forward transaction with Bank M of USD100,000.00 (one hundred thousand US dollars) for 3 (three) months.

When due, customer N does not have any fund in rupiah to fulfill its obligation. Therefore, Bank M is prohibited from extending any credit in rupiah to customer N which will be used to settle the forward transaction.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

## Article 17

Paragraph (1)

Point a

Sufficiently clear.

Point b

The term “credit or financing in a form of syndication” means credit or financing extended simultaneously by more than 1 (one) bank to a certain party.

Point 1

Sufficiently clear.

Point 2

Sufficiently clear.

Point 3

The term “real sector” means production and trade of goods and services.

Point c

Sufficiently clear.

## Point d

Consumption credit or financing includes among others for renting or buying houses, apartments, shop houses, office houses, and vehicles.

## Point e

“Intraday overdraft” means overdraft paid at the end of day.

## Point f

Sufficiently clear.

## Paragraph (2)

## Point a

Securities related to export and import of goods and/or services, from and to Indonesia among others are export draft and *banker’s acceptance* based on *letter of credit* and *non-letter of credit transactions*.

Securities related to trade in Indonesia among others are draft or *banker’s acceptance* based on domestic letter of credit.

## Point b

“*Bank draft*” means an order to pay a certain amount to the party whose name is specified in the *bank draft*.

## Article 18

## Paragraph (1)

Sufficiently clear.

## Paragraph (2)

## Example:

Transfer in Rupiah is made to an account of Non-Resident XYZ with Bank ABC of Rp28,000,000,000.00 (twenty-eight billion rupiah) or equivalent to USD2,000,000.00 (two million US dollars) based on *Jakarta Interbank Spot Dollar Rate* of USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar).

Bank ABC is required to request Underlying Transaction documents from Non-Resident XYZ.

## Paragraph (3)

Sufficiently clear.

## Article 19

### Point a

The term “transfer of principal fund in a full amount (gross)” means real fund transfer for each sale and/or purchase transaction of foreign currency against rupiah in a full nominal amount of the transaction or its equivalence.

### Point b

Sufficiently clear.

## Article 20

### Paragraph (1)

Example:

Customer YY makes purchase spot transaction of US dollars against rupiah with Bank ABC of USD1,000,000.00 (one million US dollars) at an exchange rate of USD/IDR 13,500.00 (thirteen thousand and five hundred US dollars). On the settlement date, customer YY is required to make a transfer of fund in US dollars by transferring principal fund (gross) in a full amount of USD1,000,000.00 (one million US dollars) in real terms, and it will be recorded in the Bank’s treasury system which may be evidenced based on the transaction settlement chronology. Bank ABC is required to make a real settlement of fund in foreign currency against rupiah by transfer of principal fund (gross) in a full amount of Rp13,500,000,000.00 (thirteen billion five hundred million rupiah), and it will be recorded in the Bank’s treasury system which may be evidenced based on the transaction settlement chronology.

### Paragraph (2)

Sufficiently clear.

## Article 21

Sufficiently clear.

## Article 22

### Paragraph (1)

#### Point a

The term “final Underlying Transaction document” means a document showing the time and/or unchanging amount of revenue or foreign currency requirements.

Point b

The term “estimated Underlying Transaction document” means a document showing the time and/or amount of revenue or foreign currency requirements based on a rational calculation result.

Paragraph (2)

Sufficiently clear.

## Article 23

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The term “accuracy” among others includes:

- a. any document not contrary to the laws and regulations; and
- b. any document issued by a company or institution whose existence can be confirmed.

The term “fairness” among others includes:

- a. any document which meets the generally applicable market practice;
- b. any transaction performed according to an Underlying Transaction document; and
- c. any transaction performed according to historical data owned by Bank and/or according to the needs of transaction participants in Foreign Exchange Market.

Paragraph (3)

Sufficiently clear.

## Article 24

Sufficiently clear.

## Article 25

Sufficiently clear.

## Article 26

### Paragraph (1)

Written statement is among others in the following forms:

- a. duly duty-stamped written statement letter which is signed by:
  1. the relevant individual for an individual; or
  2. the competent party under the relevant company's articles of association or a party authorized under a power of attorney by the official, for non-individual party;
- b. written statement in an electronic form which may be submitted by:
  1. official electronic mail;
  2. Society of Worldwide Interbank Financial Telecommunication *message*;
  3. bank's electronic system; or
- c. negative confirmation.

### Paragraph (2)

Example:

On 6 June 2022, customer KLM makes a purchase transaction of foreign currency against rupiah with Bank ABC of USD70,000.00 (seventy thousand US dollars) without any Underlying Transaction. Bank ABC requests customer KLM to submit a supporting document in the form of duly duty-stamped written statement letter.

On 13 June 2022, customer KLM makes another purchase spot transaction of foreign currency against rupiah with Bank ABC of USD10,000.00 (ten thousand US dollars) without any Underlying Transaction. For this transaction, it is not necessary for Bank ABC to request customer KLM to submit a supporting document in the form of duly duty-stamped written statement letter.

On 11 July 2022, customer KLM makes a purchase transaction of foreign currency against rupiah with Bank ABC of USD80,000.00 (eighty thousand US dollars) without any Underlying Transaction. Bank ABC must request customer KLM to submit a supporting document in the form of a new statement letter because the transaction is made in a different month.

## Paragraph (3)

Sufficiently clear.

## Article 27

## Paragraph (1)

## Point a

Sufficiently clear.

## Point b

Sufficiently clear.

## Point c

Written statement is among others in the following forms:

1. duly duty-stamped written statement letter which is signed by:
  - a) the relevant individual for an individual; or
  - b) the competent party under the relevant company's articles of association or a party authorized under a power of attorney by the official, for non-individual party;
2. written statement in an electronic form which may be submitted by:
  - a) official electronic mail;
  - b) Society of Worldwide Interbank Financial Telecommunication *message*;
  - c) bank's electronic system; or
3. negative confirmation.

## Paragraph (2)

Sufficiently clear.

## Article 28

Sufficiently clear.

## Article 29

## Paragraph (1)

## Point a

Sufficiently clear.

## Point b

Bank properly recognizes the track record of transaction participants in Foreign Exchange Market among others based

on routine foreign currency transactions against rupiah from time to time.

Paragraph (2)

Example:

On 19 November 2022, customer A makes a purchase spot transaction of foreign currency against rupiah of USD120,000.00 (one hundred twenty thousand US dollars). On that transaction, Bank X is required to ensure that customer A submits an Underlying Transaction document and supporting document.

Then, on 15 December 2022, customer A makes a purchase spot transaction of foreign currency against rupiah with Bank X of USD150,000.00 (one hundred fifty thousand US dollars). On that purchase, Bank X is required to ensure that customer A submits Underlying Transaction documents without any supporting document.

Then, on 21 January 2023, customer A makes a purchase spot transaction of foreign currency against rupiah with Bank X of USD130,000.00 (one hundred thirty thousand US dollars). On that transaction, Bank X is required to ensure that customer A submits an Underlying Transaction document and supporting document.

Paragraph (3)

Example:

On 5 January 2023, PT C makes a purchase forward transaction of US dollar against rupiah with Bank X of USD150,000.00 (one hundred fifty thousand US dollars). On that purchase, Bank X is required to ensure that PT C submits an Underlying Transaction document and supporting document.

Then, on 20 February 2023, PT C makes a purchase forward transaction of US dollar against rupiah with Bank X of USD110,000.00 (one hundred ten thousand US dollars). On that purchase, it is necessary for PT C to submit an Underlying Transaction document without any supporting document.

Article 30

Paragraph (1)

The term “business day” means the business days of Bank Indonesia, excluding days determined by Bank Indonesia to conduct limited operational activities.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

#### Article 31

The term “business day” means the working days of Bank Indonesia, excluding days determined by Bank Indonesia to conduct limited operational activities.

#### Article 32

Paragraph (1)

The term “business day” means the working days of Bank Indonesia, excluding days determined by Bank Indonesia to conduct limited operational activities.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

#### Article 33

The term “business day” means the working days of Bank Indonesia, excluding days determined by Bank Indonesia to conduct limited operational activities.

#### Article 34

Sufficiently clear.

#### Article 35



Sufficiently clear.

#### Article 36

Sufficiently clear.

#### Article 37

Sufficiently clear.

#### Article 38

##### Paragraph (1)

Sufficiently clear.

##### Paragraph (2)

##### Point a

Sufficiently clear.

##### Point b

Sufficiently clear.

##### Point c

##### Point 1

Example:

On 6 June 2022, customer KLM makes a purchase spot transaction of foreign currency against rupiah of USD80,000.00 (eighty thousand US dollars) without any supporting Underlying Transaction.

On 13 June 2022, customer KLM makes a purchase spot transaction of foreign currency against rupiah of USD50,000.00 (fifty thousand US dollars) without any supporting Underlying Transaction.

There is a breach of threshold amount for a cash purchase transaction of USD30,000.00 (thirty thousand US dollars).

On that breach, Bank is subject to an administrative sanction in the form of payment obligation.

The payment obligation sanction is calculated as follows:

- a. *Jakarta Interbank Spot Dollar Rate* on 13 June 2022 is USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar).
- b.  $\text{payment obligation} = 1\% \text{ (one percent)} \times \text{USD30,000.00 (thirty thousand US dollars)} \times$

USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar) = Rp4,200,000.00 (four million two hundred thousand rupiah).

With the requirement for minimum sanction amount of Rp10,000,000.00 (ten million rupiah), Bank is subject to an administrative sanction in the form of payment obligation of Rp10,000,000.00 (ten million rupiah).

#### Point 2

Example:

On 6 June 2022, Bank ABC extends credit of USD100,000,000.00 (one hundred million US dollars) to Customer KLM to fund a derivative transaction of foreign currency against rupiah.

A breach occurs with an administrative sanction in the form of payment obligation.

The payment obligation sanction is calculated as follows:

- a. *Jakarta Interbank Spot Dollar Rate* on 6 June 2022 is USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar).
- b.  $\text{payment obligation} = 1\% \text{ (one percent)} \times \text{USD100,000.00 (one hundred million US dollars)} \times \text{USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar)} = \text{Rp14,000,000,000.00 (fourteen billion rupiah)}.$

With the requirement for maximum sanction amount of Rp1,000,000,000.00 (one billion rupiah), Bank is subject to an administrative sanction in the form of payment obligation of Rp1,000,000,000.00 (one billion rupiah).

#### Point 3

Example:

On 6 June 2022, Bank ABC purchases an obligation in rupiah issued by XYZ, Inc. of Rp10,000,000,000.00 (ten billion rupiah).

A breach occurs because Bank invests in rupiah in a Non-Resident.

On that breach, Bank is subject to an administrative sanction in the form of payment obligation.

The payment obligation sanction is calculated by using the following formula:

$$1\% \text{ (one percent)} \times \text{Rp}10,000,000,000.00 \text{ (ten billion rupiah)} = \text{Rp}100,000,000.00 \text{ (one hundred million rupiah)}.$$

Point 4

Example:

On 6 June 2022, Bank ABC receives a Transfer in Rupiah for the profit of Non-Resident customer XYZ of Rp15,000,000,000.00 (fifteen billion rupiah). Bank ABC does not request customer XYZ to submit any Underlying Transaction.

*Jakarta Interbank Spot Dollar Rate* on 6 June 2022 is USD/IDR14,000.00 (fourteen thousand rupiahs per US dollar).

A breach of threshold amount occurs for the Transfer in Rupiah.

On that breach, Bank is subject to an administrative sanction in the form of payment obligation.

The payment obligation sanction is calculated by using the following formula:

$$1\% \text{ (one percent)} \times \{ \text{IDR}15,000,000,000.00 \text{ (fifteen billion)} \\ - [\text{USD}1,000,000.00 \text{ (one million US dollars)} \times \text{USD/IDR}14,000.00 \text{ (fourteen thousand rupiahs per US dollar)}] \} = \text{Rp}10,000,000.00 \text{ (ten million rupiah)}.$$

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.